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BROWNBACK WIRELESS LEGISLATION PASSES COMMERCE COMMITTEE IN UNANIMOUS VOTE

WASHINGTON – The Senate Commerce Committee today passed U.S. Sen. Sam Brownback's Mobile Telecommunications Sourcing Act of 1999 (S.1755) in a unanimous vote. The bill was co-sponsored by every member of the Commerce Committee; it would create a uniform, national framework for the taxation of wireless calls.

"This legislation represents an historic agreement between state and local governments and the wireless industry to bring sanity to the manner in which wireless telecommunications services are taxed," Brownback said. "I thank Senator Byron Dorgan for working with me in crafting this bill, and I thank every member of this committee for co-sponsoring it.

"The Mobile Telecommunications Sourcing Act has two primary components. First, the bill eliminates the multiple taxation problem of our current system. Only the state, local, and sub-local authorities in a consumer's 'place of primary use' can impose a tax on a wireless call, regardless of where the call originates, terminates, or passes through. The 'place of primary use' is either defined as the customer's home or business address. Second, the legislation establishes a mechanism for creating databases to determine the appropriate taxing jurisdictions for a customer's place of primary use.

"This legislation will stimulate even greater growth in wireless telecommunications by simplifying the taxation of such calls. A simpler tax system reduces the costs to wireless carriers, and thus lowers the price for consumers. As we have already seen, when prices are lowered, the number of minutes of wireless use increases. Enactment of this legislation will truly be a victory for consumers," Brownback said.